

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A HD1761
A2F3



RELEASE

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 13-81

WASHINGTON, April 1--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

The EUROPEAN COMMUNITY (EC) Council of Ministers recently confirmed its commitment to curb EC grain sales to the Soviet Union to traditional levels in compliance with the U.S. partial suspension of grain sales to the USSR. The Council's action upholding this commitment disappointed the French, who have been requesting EC approval to export some 600,000 tons of wheat to the Soviets. France, which produced a bumper wheat crop in 1980, still has sizable quantities of this crop to remove from the domestic market. French pressures to export, therefore, have been increasing, especially with the upcoming presidential election in April and as the 1981 harvest approaches.

Although the Council of Ministers decided against increasing wheat sales to the Soviets, it did encourage the EC Commission to adopt a more active export policy for sales to other destinations in an attempt to remove surplus grain from the internal marketplace. Various measures under consideration designed to boost exports include formulation of long-term supply agreements between the EC and major importing countries, extension of generous credit terms, increasing food aid commitments and expanding the number of countries to which sales can be made on a daily basis, rather than as a result of the weekly export tender program.

The UNITED KINGDOM is experiencing a trend toward increased plantings of higher-yielding winter grain varieties at the expense of spring types. Grain sown for the 1981 harvest appears to confirm this pattern. A similar pattern also is apparent throughout the EC.

Despite the U.K.'s planting delays caused by a late sugar beet harvest and heavy rains, the area sown to winter grains last fall appears to have reached a record level. With total area sown to grain expected to remain largely unchanged from last year's acreage, the increase in winter-sown grains has occurred at the expense of lower-yielding spring varieties. Winter wheat area as of Dec. 1 reached 1.42 million hectares, some 3 percent above the previous year's level, while winter barley area hit almost 800,000 hectares, up 9 percent from 1979. Area sown to winter grains might have exceeded these record levels if heavy rains had not intervened.

- more -

MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

U.S. DEPT. OF AGRICULTURE
NAT'L AGRIC. LIBRARY
APR 24 1981

Although the outlook for spring planting is still fairly uncertain, total U.K. grain production for 1981 is expected to fall only slightly short of the bumper 1980 harvest. This anticipated shortfall is expected to have only a marginal impact upon U.K. import requirements, much of which are supplied by other EC countries. No material change is expected now in U.K. corn import needs, the bulk of which are met by the United States.

DAIRY, LIVESTOCK, AND POULTRY

In VENEZUELA, pressure appears to be mounting to limit imports of poultry products. Press reports indicate that the Venezuelan Poultry Federation and the National Supply Commission have agreed that all imports, at least through the Easter season, should be withheld in an effort to raise producer prices and aid the expansion of the domestic industry.

The United States has been an important supplier of poultry meat to Venezuela in recent years. U.S. poultry meat exports totaled over 23,000 tons in 1979, before slipping to 14,000 tons in 1980 due to tighter credit policies and higher U.S. prices. With import levels now seemingly at the control of the Venezuelan Government and domestic producers, U.S. exports to this market could be further reduced in calendar 1981, unless a shortfall in Venezuelan output is experienced.

In the UNITED KINGDOM, the Channel Islands of Jersey and Wight have a confirmed outbreak of foot-and-mouth disease. As a result, USDA's Animal and Plant Health Inspection Service (APHIS) has removed all of the United Kingdom, except Northern Ireland, from the list of countries recognized by USDA as free of foot-and-mouth disease. No imports into the United States of cattle, sheep, goats, swine or their products will be allowed from these areas. The exception is cheese and butter for which the status remains unchanged. Casein and caseinates are permitted with restrictions.

The EC COMMISSION has opened the second quarterly allocation for the U.S. 10,000-ton high-quality beef quota. A total of 4,000 tons has been allocated and licenses can be lodged April 1 - 10. Under the first quarterly allocation, license applications were received and accepted for 413 tons.

The EC COUNCIL of Agricultural Ministers has approved increases in cost components used to calculate gate prices for turkeys. This action was taken in light of the introduction of a new category for turkeys without giblets called 73-percent turkeys. In particular, the feed conversion ratio, which expresses the weight ratio of the slaughtered poultry to the feed grain required for its production for the category was set at 2.493 kilograms of feed mix per 1 kilogram of turkey meat. The ratio for 80-percent turkeys (turkeys with giblets) remains at 2.275 kilograms. The changes will result in increases of at least 8 percent in turkey-sludge-gate prices and are expected to go into effect shortly.

-more-

OILSEEDS AND PRODUCTS

ARGENTINA'S exports of oilseeds and meals during October - January 1980/81 rose to 951,300 tons soybean meal equivalent--up 80 percent or 421,800 tons above the same months a year earlier. Increased exports of soybeans and meal accounted for nearly four-fifths of the gain.

Exports of soybeans and meal during the October - January 1980/81 period rose to 586,000 tons meal equivalent basis, compared with only 260,600 tons in the same four months of 1979/80. The sharp gain in Argentine exports followed a significant dip during February - September 1980. Most of the reduction reflected lower exports of soybeans and meal.

Despite the fact that 1980/81 Argentine marketing year (April - March) exports of soybeans and meal are not expected to change substantially from those in 1979/80, the seasonal distribution of exports has changed sharply. In 1979/80, Argentina completed more than 90 percent of its marketing year exports during April - September. However in 1980/81, exports during April - September account for less than 75 percent of exports in the entire marketing year.

The significant shift in Argentine exports helped boost U.S. exports of soybeans and meal during the last half of the 1979/80 U.S. marketing year, but is hurting U.S. exports in 1980/81.

Combined Argentine exports of oilseeds and meals are as follows in 1,000 tons soybean meal equivalent:

| | <u>1976/77</u> | <u>1977/78</u> | <u>1978/79</u> | <u>1979/80</u> | <u>1980/81</u> |
|--------------------|----------------|----------------|----------------|----------------|----------------|
| October | 51.4 | 182.9 | 180.1 | 209.9 | 557.5 |
| November | 88.0 | 104.9 | 86.3 | 99.3 | 211.1 |
| December | 109.6 | 150.7 | 172.3 | 153.9 | 67.6 |
| January | <u>129.8</u> | <u>222.1</u> | <u>150.6</u> | <u>66.4</u> | <u>115.1</u> |
| October-January | 378.8 | 660.6 | 589.3 | 529.5 | 951.3 |
| February-September | <u>1,253.8</u> | <u>2,559.3</u> | <u>3,123.6</u> | <u>2,568.0</u> | -- |
| October-September | 1,632.6 | 3,219.9 | 3,712.9 | 3,097.5 | -- |

SOVIET vegetable oil production in state-owned facilities, according to official Soviet data, was only 1.21 million tons during September - January 1980/81. This compares with 1.33, 1.38 and 1.47 million tons in the same five months of 1979/80, 1978/79 and 1977/78, respectively. The significant shortfall in Soviet oil output is expected to result in increased imports of oils and fats.

-more-

TOBACCO

The EC COMMISSION has announced proposals for tobacco premiums and intervention prices for 1981. In setting the premiums and intervention prices, the Commission has attempted to more closely match production of all types of tobacco with market demand, thereby reducing costly surpluses. To meet these goals, a reduction in the ratio between the intervention price and the norm price has been proposed for tobacco not placed on the market. The intervention price will be reduced from 90 percent to 85 percent of the norm price for all tobacco harvested in 1981.

When proposing future price and premium increases, the Commission will follow the general policy on producer co-responsibility. This is expected to result in smaller increases, and possibly reduction, in prices and production of tobacco types that are in surplus -- currently Oriental and Kentucky varieties.

COTTON

In ARGENTINA, cotton production is estimated by the U.S. agricultural attache in Buenos Aires to be only 574,000 bales (lint), a reduction of 76,000 bales from the March USDA estimate. Heavy rainfall hit the cotton growing areas during January and February, causing widespread flooding. In addition, wet weather during planting resulted in a smaller planted area than previously expected. Also, insect pressure in late February further dimmed the cotton outlook.

In GHANA, cotton production during 1980 declined for the fourth consecutive season, according to the agricultural counselor posted in Lagos. Production is estimated at 10,000 bales (480 lb. net), 9 percent below the 1979 level and 21 percent below the 1975-79 average. Yields have remained basically static in recent years and acreage has declined as farmers switched more land into production of food crops.

HORTICULTURAL AND TROPICAL PRODUCTS

WEST GERMANY'S hop growing area expanded in 1980 for the first time in five years, but lower yields resulted in an outturn of less than 27,000 tons. Yields were off 16 percent from the 1979 level because of adverse summer weather and wilt disease. West Germany, usually the world's No. 1 hops producer, fell behind the United States to second place in 1980.

Practically all of the hop crop was under forward contract and little was available for the free market. Because of prevailing high prices, the area devoted to hop gardens is expected to expand by around 1,000 hectares in 1981, and with normal yields a much larger crop can be expected.

-more-

West Germany is by far the largest source of U.S. hop imports, almost all being raw hops. Conversely, that country also is an important destination for U.S. raw hop exports, ranking second in 1979/80. An estimated 55 percent of West Germany's total raw-hop imports are processed into concentrates for re-export.

West Germany's domestic hop consumption amounted to about 25,000 tons in 1979/80 and little change is foreseen in 1980/81.

BRAZIL'S sisal production in 1980 is estimated at 205,000 tons, up from 196,000 tons produced in 1979. The increase in production is attributed primarily to a favorable minimum price to growers.

Exports of sisal fiber, including tow and baler twine, for the same period totaled 176,598 tons valued at US \$130 million, down 4 percent in volume and up 17 percent in value from the preceding year's level. Average export prices in 1980 were: raw fiber, US \$589 per ton, up 10 percent from 1979; and baler twine, US \$926 per ton, up 38 percent.

In NORWAY, the Ministry of Agriculture has increased the apple import quota for May - July 1981 from 5,000 to 10,000 tons. Supplemental quotas also may be granted during July and August, depending upon the level of stocks, the volume of unused licenses and the development of the domestic apple crop.

SPAIN'S citrus exports in the 1980/81 season may decline from earlier projections of 1.7 million tons to 1.4 to 1.45 million tons because of the cold wave and gales in late November and early December. Trade sources are expecting export projections to be lowered by 200,000 tons for oranges, 30,000 to 50,000 tons for lemons and 25,000 to 50,000 tons for tangerines. Citrus exports from the beginning of the 1980/81 season (Sept. 29 - April 22) were 4 percent below the equivalent period of 1979/80.

The below-zero temperatures reportedly caused little or no damage to trees which were budding somewhat earlier than normal. Barring adverse weather, the 1981 citrus crop is expected to be normal.

In SOUTH AFRICA, January floods in the southern cape destroyed about 4,000 hectares of valuable irrigated land planted to grapes, fruit trees and other crops. Another 6,800 hectares were badly damaged but reclaimable. Hardest hit were producers of early Alphonse Lavallee table grapes and of peaches and pears for canning, mainly in Ceres, Montager, Barrydale and Ashton, which were hit by both hail and floods.

-more-

Losses are estimated at 66 million Rand (about \$52 million) and the government is making 43.2 million Rand available for reconstruction. Fully repayable loans are available for planting dry land crops, vineyards and orchards, and 20 percent repayable loans are available for reclaiming or repairing irrigated lands and for replanting these lands. Finally, producers who can prove total loss of land will be compensated 10,000 Rand per hectare for irrigated vineyards and orchards, 2,000 Rand per hectare for other irrigated land and 300 Rand per hectare for dry land.

In AUSTRALIA, three bills were introduced on Feb. 26 to the Parliament implementing the new support program for the apple and pear industries. All three bills are expected to pass both Houses of Parliament in the near future.

The Apple and Pear Export Underwriting Bill for 1981 provides for a guaranteed minimum return to growers each season from exports of apples and pears to all destinations.

The Apple and Pear Stabilization Amendment extends the current support program for apple exports through the 1984 season. The maximum price support levels, however, will be reduced. This bill also terminates the industry pay-in provision at the end of the 1980 marketing year.

And finally, the Australian Apple and Pear Corporation Amendment for 1981 provides the administrative framework whereby the corporation can legally incur expenses in operating the underwriting program.

INTERNATIONAL WEATHER AND CROP SUMMARY, March 23 - 29

EUROPE--Warm and wet weather across the northern countries kept winter grains developing more rapidly than normal. Little rain fell in the southeastern countries, where extreme flooding from earlier rains was reported. Evidently the abundant rainfall of the preceding week caused substantial snowmelt. The combined large quantities of water flooded low-lying farmland along the Danube River, damaging winter grain crops and delaying spring fieldwork. Late in the week, a storm doused the Iberian Peninsula with generous rains. The moisture improved the outlook somewhat for spring planting, but subsoil moisture was still very short. The rains came too late to be of much benefit to winter grains. By the weekend, the storm was spreading rainfall into northern Italy, where conditions were similar to those in Spain.

SOUTH AFRICA--Heavy rainfall over much of the Maize Triangle was not really needed by the corn crop. Soil moisture was quite good in all parts of the Triangle. However, unless high winds accompanied the rains, little damage probably occurred. A rapid return of fair weather by the weekend allowed fields to dry out somewhat.

-more-

WESTERN USSR--Temperatures surged much above normal early in the week, causing a further retreat of the snow line to the northeast. Greening-up of winter grains probably began across the southern half of the belt. Colder air over the weekend slowed growth markedly, with minimum temperatures below freezing into the North Caucasus; however, probably no frost damage occurred. Most of the winter grain belt received only light rainfall, with some spotty amounts near and above normal. The drier weather probably permitted increased fieldwork. Above-normal precipitation in the form of snow across the northern crop areas maintained wet conditions. Winter grains there remained dormant and the beginning of fieldwork is still some weeks off.

EASTERN ASIA--Above-normal precipitation covered most agricultural areas of China. Moisture amounts in Hebei were variable, with some areas receiving a beneficial 10 to 15 mm; others only about 5 mm. More precipitation is needed at regular intervals now that conditions are warm enough for winter grain growth. Abundant rainfall south of the Yellow River kept winter grains in good condition. Very wet weather continued in the south, with many areas receiving more than 50 mm of rainfall. Heaviest totals of more than 100 mm occurred just to the south of the Yangtze River. Conditions are probably wetter than optimal for newly planted crops. The situation is fairly similar to the wetness last year, which began building at about this time. Some drier areas along the southern coast, notably Guangxi, received beneficial rainfall during the week. In South Korea, near-normal rainfall returned to winter grain areas, improving moisture conditions as temperatures remained warm enough for growth to continue.

SOUTH ASIA--Most winter grain areas of India and Pakistan remained dry during the week, favoring the maturation of crops on the plains in the north. Showers in the foothills of the Himalayas benefited late filling of grains. Above-normal rainfall returned to much of Bangladesh and southeastern India. Rainfall normally increases in such a pattern at this time of year, but amounts have been greater so far this season. Spring rice planting will benefit from this early moisture, especially in Bangladesh.

SOUTH AMERICA--Most of Brazil's crop areas in Parana and Rio Grande do Sul remained dry, as abundant rainfall was limited to coastal areas and relatively less intensively cultivated areas in Goias, Minas Gerais and eastern Sao Paulo. The dryness in Rio Grande do Sul may be interfering with late filling of soybeans. Crop prospects overall remain excellent, with harvesting just beginning in Rio Grande do Sul and nearly half finished in Parana. In Argentina, the outlook for crop yields also was excellent. Some weekend rain in northern Buenos Aires probably slowed corn harvesting, but amounts were not enough to cause any problems.

NORTHWESTERN AFRICA--Continued light rain in the northern crop areas of Morocco prevented further declines in potential yields of winter grains, but prospects were already substantially below normal. Yields from southern parts of the country should be nil. In Algeria and Tunisia, only very light rainfall occurred, but soil moisture should remain adequate in nearly all crop areas. Winter grains should now be into the grain-filling stage.

-more-

MEXICO--Dry, warm weather across most of the country was excellent for planting spring crops. Seasonal temperatures, ranging from the upper teens to the mid-20's (Celsius), favored planting and germination of cotton in the north and corn in the warmer sections of the southern Plateau. Vegetables and early corn and grain sorghum in the coastal states should be progressing well with generally an adequate irrigation supply.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

| Item | : March 31, 1981 | | : Change from : A year | |
|--------------------------------|------------------|---------------|------------------------|------------------|
| | | | : previous week : ago | |
| | | | : | |
| | \$ per m. ton | \$ per bu. | % per bu. | \$ per m. ton |
| Wheat | | | | |
| Canadian No. 1 CWRS-12.5%..... | 1/ | 1/ | 1/ | 1/ |
| U.S. No. 2 DNS/NS: 14%..... | 206.50 | 5.62 | - 7 | 182.00 |
| U.S. No. 2 DHW/HW: 13.5%..... | 212.00 | 5.77 | + 3 | 1/ |
| U.S. No. 2 S.R.W..... | 204.00 | 5.55 | 0 | 179.00 |
| U.S. No. 3 H.A.D..... | 244.00 | 6.64 | - 6 | 230.00 |
| Canadian No. 1 A: Durum..... | 1/ | 1/ | 1/ | 260.00 |
| Feed grains: | | | | |
| U.S. No. 3 Yellow Corn..... | 165.00 | 4.19 | 0 | 128.25 |
| U.S. No. 2 Sorghum 2/..... | 168.00 | 4.27 | + 2 | 147.50 |
| Feed Barley 3/..... | 175.50 | 3.82 | -12 | 156.00 |
| Soybeans: | | | | |
| U.S. No. 2 Yellow..... | 312.00 | 8.49 | +12 | 244.00 |
| Argentine 4/..... | 314.00 | 8.55 | +19 | 1/ |
| U.S. 44% Soybean Meal (M.T.).. | 267.00 | -- | +1.50 | 5/ |
| 213.50 | | | | |
| EC Import Levies | | | | |
| Wheat 6/..... | 82.75 | 2.25 | -12 | 112.35 |
| Barley..... | 59.25 | 1.29 | - 7 | 105.55 |
| Corn..... | 72.45 | 1.84 | -15 | 125.85 |
| Sorghum..... | 68.95 | 1.75 | - 6 | 109.55 |

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis April delivery.

In ARGENTINA, continued ideal weather conditions, as well as a 12-percent increase in sown area, have resulted in an expected record corn crop of 12.8 million tons. Yields are forecast at a new high of 3.7 tons per hectare, compared with the previous record of 3.65 million tons set in 1977.

Corn exports also are expected to reach a new high of 9.4 million tons, more than twice last year's reduced level of 3.4 million tons. Sorghum production is estimated at 7 million tons, compared with the 1978 record of 7.2 million tons. Exports of sorghum could reach 4.5 million tons, three times greater than last year's 1.5 million tons.

PORUGAL is formulating plans for a liberalization of its grain trade within the next few months. Measures under consideration reportedly would change the function of the state trading monopoly (EPAC) by opening up procurement of imported grain to the private sector. Such measures also would alter the present pricing structure which subsidizes grain consumption. Indeed, price increases announced recently were intended to begin preparing the country for price rises likely to follow once these subsidies are drastically cut or eliminated. Although the government is planning to reduce its monopoly over imports, it reportedly will strive to prevent the domination of trade by the major grain trading entities.

In BRAZIL, rice crop prospects during 1980/81 have deteriorated as a result of drought conditions in the north and northeast, as well as a prolonged veranico (seasonal dry weather between mid-January and mid-February) in the west-central region. While rains in early April prompted the government to undertake financing replanting efforts, production prospects this season have been cut to 9.1 million tons (paddy), down 500,000 to 600,000 tons from last year's crop and from earlier expectations for the current harvest.

The current rice crop prospects in Brazil, coupled with upward trends in domestic consumption, will probably necessitate a reconsideration of imports. After a bumper crop last season, Brazil was able to reduce imports from 745,000 tons in calendar 1979 to about 250,000 tons in 1980. While current estimates of 1981 rice imports are placed at 250,000 tons, the eventual level could go considerably higher, depending on the final size of the crop and evolving stock policies.

DAIRY, LIVESTOCK AND POULTRY

The EUROPEAN COMMUNITY increased the subsidy rate on April 6 for exports of canned hams to the United States from 58 to 65 ECU per kilogram (31 to 34 U.S. cents per pound) and lowered the rate to other countries from 37

-more-

to 34 cents per pound. Thus, the export subsidy on canned hams is now the same to all destinations. For shoulders, the subsidy to all destinations is now 28 cents. The previous level to the United States was 25 cents and to other countries 30 cents. According to the EC Commission, Polish hams have been selling in the United States for 4 to 5 cents per pound below Danish hams.

In JAPAN, the Ministry of Agriculture, Forestry and Fisheries (MAFF) recently announced support prices for beef, pork and milk for Japanese fiscal year 1981 (April 1981 - March 1982). Domestic livestock producers had been citing higher world grain prices and production costs in general as their motives for seeking substantially higher price supports.

Floor and ceiling pork prices were raised 2 percent, partially as a response to producer demands. This increase means that the standard midpoint price offered for imported pork cuts will rise to 846 yen per kilogram or about US \$1.85 per pound. Current prices are above this level and sharply higher imports, including those from the United States, are expected. Japanese swine producers are expanding their herds now, following last year's liquidation.

MAFF raised floor and ceiling prices on Wagyu beef by 3.1 percent. This beef is most similar to the high-quality beef which Japan imports from the United States. Imports of high-quality U.S. beef are growing under provisions of a Multilateral Trade Negotiation agreement with Japan which calls for higher import levels for the next three fiscal years. New price supports for dairy steer beef were raised only 1.2 percent because of recent jumps in production and last year's 1-percent decline in purchases as inflation overtook the growth rate in personal income. The government is seeking to maintain consumer acceptance of beef to avoid reducing total import quotas.

Support prices for manufacturing milk remained unchanged as the dairy industry is striving to bring supply into balance with demand. Japan cut imports of all dairy products, except cheese and compounded butter, in 1980 in an effort to reduce high stocks of manufactured dairy products.

COTTON

In the SOVIET UNION, heavy rains and flooding washed out hundreds of hectares of newly planted cotton and other crops in Uzbekistan, according to reports from the U.S. agricultural counselor in Moscow. (Uzbekistan normally harvests about 1.8 million hectares of cotton.) Cold air with night frosts reportedly spread through the area, however, cotton planting continues. It is too early to tell if any significant damage has occurred.

In CHINA, the 1981/82 cotton area, production and utilization is expected to continue to increase, according to the U.S. agricultural counselor in Beijing. Assuming normal seasonal weather patterns, yields in the Yangtze River area will rebound to more normal levels, while yields in North China may

not repeat the high 1980/81 level. The agricultural counselor reports that preliminary indications are for an increase in expected plantings of 900,000 hectares over the preceding year. He projects that 1981/82 cotton production could reach 12.9 million bales (480 lb. net) and utilization could be as much as 16.6 million bales.

HORTICULTURAL AND TROPICAL PRODUCTS

The 1980/81 WORLD COFFEE CROP now is estimated at 80.7 million bags (60 kilograms each). This is 500,000 bags above the previous estimate, but 700,000 bags below the revised estimate for 1979/80 of 81.4 million bags.

Exportable production, which is the harvested production less domestic consumption in producing countries, is estimated at 60.5 million bags. This is 1.8 percent lower than the estimate of 61.6 million bags for 1979/80.

The production estimate for North and Central America has been lowered by 128,000 bags to 14.962 million bags, with exportable production of 11.353 million bags. The estimates for Costa Rica and Honduras were reduced by 90,000 bags and 47,000 bags, respectively, due to heavy year-end rainfall which caused substantial berry drop. Mexico's estimate has been reduced by 100,000 bags because of lower yields in the principal producing state of Chiapas. The estimate for El Salvador has been raised by 100,000 bags, partly because actual production figures have been understated over the past several years.

Total production of coffee in South America in 1980/81 is estimated at 37.9 million bags, with exportable production at 26.6 million, compared with estimates of 38.7 and 27.4 million bags, respectively, for 1979/80. The major revisions in estimates are for Peru and Colombia. Together their estimates have been revised upward by 275,000 bags because production in both countries is now expected on larger hectarages than previously anticipated.

Coffee production in Africa for 1980/81 now is estimated at 18.6 million bags, up 600,000 bags from the previous estimate. Production was 334,000 bags above earlier expectations at 4.5 million bags in the Ivory Coast, where weather was nearly ideal. Favorable weather and the bearing of trees planted five to six years ago are the principal reasons Madagascar's coffee production estimate has been raised from 1.25 to 1.5 million bags for 1980/81. Increased production in these and some other African countries was partially offset by a 300,000-bag reduction in the estimate for Uganda, where farmers are producing more food and neglecting coffee trees.

In Asia, production estimates for 1980/81 have been lowered for India, down 173,000 bags, Indonesia, down 113,000 bags, while the estimate for Papua New Guinea has been raised by 30,000 bags.

Further details are available in FAS circular, World Coffee Production and Trade, FCOF 2-81.

-more-

JAPAN announced on April 3 the fresh orange global import quota for the first half of the 1981 Japanese fiscal year (April-September). The total quota amounts to 59,500 tons, of which 38,500 tons is a seasonal quota for the June-August period.

In GREECE, cold weather and unseasonable snow in late January and early February has sharply reduced table olive prospects. According to the Union of Olive Growers' Cooperatives, the table olive crop will be 20-percent lower than the 100,000 tons estimated by the Ministry of Agriculture prior to the adverse weather. The Union is estimating the black olive crop at 60,000 tons and the green olive crop at 20,000 tons. However, a table olive crop of 80,000 tons would still exceed the very poor 1979/80 crop by about 60 percent.

In CANADA, the Ontario Agriculture and Food Minister announced in mid-March a C \$1.5 million incentive program aimed at increasing asparagus production. Under the plan, financial assistance will be available to new and existing producers to establish an additional 3,000 acres of asparagus in the province over the next five years. Producers will be eligible for grants of up to C \$500 per acre.

In making the announcement, the Agriculture Minister was quoted as saying, "the program represents an investment by the Ontario Government aimed at replacing 3,000 tons of asparagus currently imported into Ontario annually. The farm-gate value of these import replacements is estimated at \$4.2 million."

In 1980, U.S. exports to Canada represented 78 percent of total U.S. asparagus exports, and were valued at \$5.8 million.

The DOMINICAN REPUBLIC press reports that officials have announced that country will not participate in the new International Cocoa Agreement. Almost all of its cocoa exports are to the United States, which also will not be a member of the new pact.

As the world's tenth largest cocoa bean producer, the Dominican Republic output usually ranges between 30,000 to 35,000 tons annually. In 1980, the United States imported \$56.5 million worth of cocoa beans and products from the Dominican Republic. This compares with total U.S. cocoa imports valued at \$920 million.

INDIA'S import policy for 1981/82 (April - March) places imports of all dried fruit (including almonds) on the restricted list. Import licenses must now be obtained for each shipment and licenses will be limited to only those who have imported products during the three-year period, 1978/79 - 1980/81. The value of imports in each case will be 50 percent of this three-

-more-

year average, with a minimum level for each shipment of not less than 10,000 Rupees (approximately US \$1,250).

NEW RELEASES OF FOREIGN AGRICULTURE CIRCULARS

Fourth Estimate of 1980/81 World Coffee Crop Raised by 500,000 Bags,
FCOF 2-81

U.S. Exports of Tree Nuts Top One-Half Billion Dollars in 1980
FN 1-81

U.S. Trade in Livestock Has Slow Start for 1981 FLM-MT 6-81

February Cotton Exports Up, FC 8-81

U.S. Spice Trade Up in 1980, FTEA 1-81

TO ORDER, contact: U.S. Department of Agriculture, FAS Information Services Staff, Room 5918-South, Washington, D.C. Tel. (202) 447-7937.

INTERNATIONAL WEATHER AND CROP SUMMARY, April 6 - 12

EUROPE--High pressure dominated the continent during the week, keeping precipitation on the light side in most countries for a second consecutive week. Soil moisture remained in good supply as March precipitation was substantially above normal in most agricultural areas. The reverse sequence has been unfolding in the Iberian Peninsula and northern Italy. Below-normal March precipitation, which kept winter grains unfavorably dry, has given way to wet weather in April. Most of Portugal and northern Spain saw continued rainfall during the week maintain improved growing conditions. Southeastern Spain and northern Italy received only light rains, with adequate moisture conditions prevailing for the time being in northern Italy, but only marginal moisture for crop growth in southern Spain. Temperatures held above normal throughout Europe during the week, continuing a pattern which began in early March. The warm, wet weather over most of the continent has provided a very good start for the 1981 growing season.

USSR--A variable precipitation pattern for the week produced generally above-normal amounts in eastern European USSR and below-normal amounts in the west. Soil moisture remained good to somewhat excessive, and reports indicate that fieldwork has not been seriously hindered. March precipitation ranged much above normal over most of European USSR; the fourth consecutive wet month. Temperatures rose to near normal in the winter grain belt, allowing growth to begin again. Above-normal March temperatures had given the crops an early start before the cold snap at the end of the month. In the New Lands, above-normal March precipitation improved the spring grain sowing outlook, but warm weather caused early snowmelt, so that more of the moisture would be lost to evaporation. Cotton-growing areas in south central USSR also received above-normal March precipitation. This moisture created favorable conditions as planting began, temporarily reduced the need for irrigation and may have

increased snowpack in the mountains, which was reported to be less than normal.

EASTERN ASIA--Heavy rain continued south of the Yangtze River, and reports of flooding in Hunan, Jiangxi, and Fujian have been received. This excessive water came on top of twice normal rainfall in parts of the area during March which had nearly saturated soils. No estimates of damage have been received. Most winter wheat crop areas received only light rainfall during the week. Precipitation during March was enough that heavy irrigation was not needed over most of the belt. Parts of Hebei received somewhat less than normal March precipitation, but only light precipitation is expected during that month, so severe deficits have not yet developed. Nevertheless, warm weather has encouraged winter grain growth and increased crop water needs in this dry area, so that increased irrigation has been necessary. In fact, temperatures stayed above normal for most of March in nearly all crop areas. In South Korea, increased rainfall maintained good growing conditions for winter grains and provided good moisture for spring planting.

SOUTH ASIA--Dry weather moved into winter grain areas of Pakistan and India, providing more favorable harvest conditions. This represented a distinct change from March weather, when above-normal precipitation occurred nearly every week. Temperatures during March stayed cooler than usual, but have now returned to normal. These somewhat cool, damp harvest conditions were not favorable, but no serious losses were expected. Abundant rainfall continued over much of Bangladesh and extreme eastern India. This pattern has persisted on and off since early January, and has provided good moisture for early rice. Rainfall in extreme southern coastal areas increased again following last week's lull.

NORTHWESTERN AFRICA--Very light rainfall in northern Morocco helped winter grains ease through the grain-filling stage. Further potential yield losses are now unlikely, but production from this area is expected to be far below normal. In southern winter grain areas, rainfall has been insufficient to produce a crop. Dry weather returned to Algeria and Tunisia following the previous week's abundant rainfall. Below normal March rainfall in some areas had dimmed crop prospects somewhat, but current moisture conditions should assure near-normal yields.

SOUTH AMERICA--Wet weather occurred in much of Argentina's crop area during the week. Rainfall ranged from 25 to 75 mm which caused delays in crop harvest since fields were too wet. Harvest progress in Argentina stands at about 35 percent for sorghum and 40 percent for corn. The soybean harvest just began in early April. In Brazil, dry weather favored crop harvesting but continued dryness in the south, where the soybean harvest has just begun, has reduced soil moisture reserves considerably. March rainfall was well below-normal in most of Brazil's major corn and soybean producing regions while average monthly temperatures were only slightly above the seasonal normal. Warm, dry weather in March aided crop harvests in central and northern portions of Brazil's corn/soybean belt. March monthly rainfall in Argentina also was below-normal, except in much of Cordoba which received above-normal precipitation. In general, rainfall occurred at timely intervals during the crop season in both Brazil and Argentina. Thus, the relatively dry period which

set in during late growth stages does not appear to have caused any significant reductions in overall yield prospects in both countries.

SOUTH AFRICA--Ideal agricultural weather, summarized by near-normal precipitation and slightly below-average monthly temperatures, prevailed over most of the Maize Triangle during March. The corn crop advanced into the late grain-filling stage, and by late March, early planted corn reached maturity (according to the normal crop calendar) and harvesting should have begun, aided by dry weather. Mild, dry weather has continued during the first two weeks of April with all indications signaling the autumn retreat of the Intertropical Convergence Zone (ITCZ) which is associated with the wet season in the Maize Triangle region of South Africa. Thus, the harvest season has begun with the expectation of favorably dry weather. The major impact of weather on the 1981 corn crop has been to support potentially excellent crop yields. Since dry weather is now expected to prevail during the remainder of the harvest season which extends into June, weekly weather summaries will be discontinued until the spring planting season.

MEXICO--Heavy rainfall of up to four times the normal amount over northwestern watersheds during March continued the dramatic rise in irrigation water supplies, which are finally returning to normal. Thus, irrigation water now appears adequate for most northwestern spring and summer crops. Heavier than normal rains in both February and March hurt some corn and grain sorghum in the extreme northeast, and dry weather during the last couple of weeks has benefited crops. Citrus is being stressed by sub-normal rainfall this winter and spring in non-irrigated orchards around Valles, and the dryness is continuing into mid-April. The rest of the northeastern citrus belt received seasonal rainfall and young citrus fruit should be developing satisfactorily. March and early April have been favorable for planting of cotton in the north and corn in the southern plateaus; however, dryness may be slowing germination and early growth of some corn in the southern plateau.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

| Item | April 14, 1981 | Change from previous week | A year ago |
|--------------------------------|------------------|------------------------------|---------------|
| | \$ per m. ton | \$ per bu. | £ per bu. |
| | | | |
| Wheat | | | |
| Canadian No. 1 CWRS-12.5%..... | 1/ | 1/ | 1/ |
| U.S. No. 2 DNS/NS: 14%..... | 21T.00 | 5.74 | +13 |
| U.S. No. 2 DHW/HW: 13.5%..... | 210.00 | 5.72 | +11 |
| U.S. No. 2 S.R.W..... | 205.00 | 5.58 | +35 |
| U.S. No. 3 H.A.D..... | 240.50 | 6.55 | + 2 |
| Canadian No. 1 A: Durum..... | 1/ | 1/ | 1/ |
| | | | |
| Feed grains: | | | |
| U.S. No. 3 Yellow Corn..... | 163.75 | 4.16 | + 2 |
| U.S. No. 2 Sorghum 2/..... | 164.00 | 4.17 | -10 |
| Feed Barley 3/..... | 175.00 | 3.81 | + 4 |
| | | | |
| Soybeans: | | | |
| U.S. No. 2 Yellow..... | 309.50 | 8.42 | -17 |
| Argentine 4/..... | 306.50 | 8.34 | -18 |
| U.S. 44% Soybean Meal (M.T.).. | 268.00 | -- | - 3.00 |
| | | | 5/ |
| | | | |
| EC Import Levies | | | |
| Wheat 6/..... | 77.95 | 2.12 | + 2 |
| Barley..... | 64.30 | 1.40 | + 2 |
| Corn..... | 76.90 | 1.95 | + 1 |
| Sorghum..... | 75.10 | 1.91 | + 9 |

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis May delivery.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE



If you no longer need this publication, check here _____ and return this sheet and/or envelope in which it was mailed and your name will be dropped from mailing list.

If your address should be changed _____ PRINT OR TYPE the new address, including ZIP CODE and return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.
U.S. Department of Agriculture
Washington, D.C. 20250

AGR 101
FIRST CLASS